

TELEKOM MALAYSIA BERHAD

Reg. No.: 198401016183 (128740-P)

(Incorporated in Malaysia)

The Board of Directors of Telekom Malaysia Berhad is pleased to announce the following unaudited results of the Group for the 3rd quarter ended 30 September 2022.

UNAUDITED CONSOLIDATED INCOME STATEMENT

	3RD QUARTER ENDED		FINANCIAL PERIOD ENDED	
	30/09/2022	30/09/2021	30/09/2022	30/09/2021
	RM Million	RM Million	RM Million	RM Million
OPERATING REVENUE	3,158.1	2,803.3	9,139.8	8,375.9
OPERATING COSTS				
- depreciation, impairment and amortisation	(654.1)	(587.5)	(1,879.3)	(1,765.8)
- net impairment (loss)/reversal on financial and contract assets	(5.6)	(2.0)	(1.7)	6.0
- other operating costs	(1,946.7)	(1,837.9)	(5,475.5)	(5,320.6)
OTHER OPERATING INCOME (net)	53.1	61.6	84.6	119.3
OTHER GAINS/(LOSSES) (net)	2.3	(3.2)	(9.5)	(15.2)
OPERATING PROFIT BEFORE FINANCE COST	607.1	434.3	1,858.4	1,399.6
FINANCE INCOME	19.3	15.5	53.0	55.5
FINANCE COST	(89.0)	(87.7)	(287.8)	(362.3)
FOREIGN EXCHANGE LOSS ON BORROWINGS	(79.2)	(12.5)	(160.6)	(49.5)
NET FINANCE COST	(148.9)	(84.7)	(395.4)	(356.3)
ASSOCIATE				
- share of results (net of tax)	2.1	3.1	9.5	9.5
PROFIT BEFORE TAX AND ZAKAT	460.3	352.7	1,472.5	1,052.8
TAX AND ZAKAT (part B, note 5)	(195.5)	(81.9)	(488.7)	(242.0)
PROFIT FOR THE FINANCIAL PERIOD	264.8	270.8	983.8	810.8
ATTRIBUTABLE TO:				
- equity holders of the Company	265.2	271.3	983.1	815.3
- non-controlling interests	(0.4)	(0.5)	0.7	(4.5)
PROFIT FOR THE FINANCIAL PERIOD	264.8	270.8	983.8	810.8
EARNINGS PER SHARE (sen) (part B, note 11)				
- basic	7.0	7.2	26.0	21.6
- diluted	7.0	7.1	25.8	21.4

(The above unaudited consolidated income statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021)

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3RD QUARTER ENDED		FINANCIAL PERIOD ENDED	
	30/09/2022	30/09/2021	30/09/2022	30/09/2021
	RM Million	RM Million	RM Million	RM Million
PROFIT FOR THE FINANCIAL PERIOD	264.8	270.8	983.8	810.8
OTHER COMPREHENSIVE INCOME				
Items that may be reclassified				
subsequently to income statement:				
- decrease in fair value of investments at fair value through other comprehensive income (FVOCI)	(0.1)	(0.2)	(4.5)	(5.8)
- reclassification adjustments relating to FVOCI investments disposed	0.1	(0.9)	0.2	(0.5)
- increase/(decrease) in fair value of receivables at FVOCI	1.7	1.4	2.7	(2.5)
- cash flow hedge:				
- increase in fair value of cash flow hedge	7.4	6.3	22.5	18.3
- change in fair value of currency basis	(0.9)	(2.0)	(5.1)	(8.6)
- reclassification of foreign exchange loss on borrowings	(24.9)	(3.2)	(46.8)	(13.8)
- currency translation differences				
- subsidiaries	9.6	0.8	19.4	3.8
- associate	0.1	(0.5)	0.2	0.1
Other comprehensive (loss)/gain for the financial period	(7.0)	1.7	(11.4)	(9.0)
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD	257.8	272.5	972.4	801.8
ATTRIBUTABLE TO:				
- equity holders of the Company	258.2	273.0	971.7	806.3
- non-controlling interests	(0.4)	(0.5)	0.7	(4.5)
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD	257.8	272.5	972.4	801.8

(The above unaudited consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021)

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION		
	AS AT 30/09/2022 RM Million	AS AT 31/12/2021 RM Million
SHARE CAPITAL	3,806.1	3,729.0
OTHER RESERVES	221.4	283.2
RETAINED PROFITS	3,906.1	3,490.3
TOTAL CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	7,933.6	7,502.5
NON-CONTROLLING INTERESTS	(180.2)	(174.6)
TOTAL EQUITY	7,753.4	7,327.9
Borrowings	5,049.7	5,338.4
Lease liabilities	1,557.0	1,553.4
Derivative financial instruments	-	4.6
Deferred tax liabilities	1,498.6	1,499.0
Deferred income	1,664.7	1,649.8
Trade and other payables	24.4	24.3
NON-CURRENT LIABILITIES	9,794.4	10,069.5
	17,547.8	17,397.4
Property, plant and equipment	13,466.0	13,356.1
Intangible assets	661.8	665.4
Right-of-use assets	1,179.5	1,208.2
Associate	92.3	89.9
Equity investments at fair value through other comprehensive income (FVOCI)	141.6	141.6
Investments at fair value through profit or loss (FVTPL)	167.4	306.0
Receivables at FVOCI	281.9	282.0
Other non-current receivables	363.0	441.1
Derivative financial instruments	158.2	145.4
Deferred tax assets	20.2	22.2
NON-CURRENT ASSETS	16,531.9	16,657.9
Inventories	218.8	176.9
Trade and other receivables	3,017.6	2,050.8
Contract assets	910.4	719.6
Contract cost assets	410.0	379.2
Receivables at FVOCI	16.0	15.9
Investments at fair value through other comprehensive income (FVOCI)	65.7	82.3
Investments at fair value through profit or loss (FVTPL)	1.7	12.5
Financial assets at fair value through profit or loss (FVTPL)	2.0	2.2
Cash and bank balances	2,156.0	2,733.8
CURRENT ASSETS	6,798.2	6,173.2
Trade and other payables	3,535.1	3,633.7
Contract liabilities	915.6	857.4
Customer deposits	205.2	221.4
Borrowings	329.8	381.6
Lease liabilities	257.2	330.3
Tax and zakat	196.1	9.3
Dividends payable	343.3	-
CURRENT LIABILITIES	5,782.3	5,433.7
NET CURRENT ASSETS	1,015.9	739.5
	17,547.8	17,397.4
NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY (sen)	209.5	198.8

(The above unaudited consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021)

**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

	Attributable to equity holders of the Company								Total Equity RM Million
	Share Capital RM Million	FVOCI Reserve RM Million	Hedging Reserve RM Million	Cost of Hedging Reserve RM Million	Long Term Incentive Plan Reserve RM Million	Currency Translation Differences RM Million	Retained Profits RM Million	Non- controlling Interests RM Million	
At 1 January 2022	3,729.0	94.0	13.5	22.7	127.9	25.1	3,490.3	(174.6)	7,327.9
Profit for the financial period	-	-	-	-	-	-	983.1	0.7	983.8
Other comprehensive income									
Items that may be reclassified subsequently to income statement:									
- decrease in fair value of investments at fair value through other comprehensive income (FVOCI)	-	(4.5)	-	-	-	-	-	-	(4.5)
- reclassification adjustments relating to FVOCI investments disposed	-	0.2	-	-	-	-	-	-	0.2
- increase in fair value of receivables at FVOCI	-	2.7	-	-	-	-	-	-	2.7
- cash flow hedge:									
- increase in fair value of cash flow hedge	-	-	22.5	-	-	-	-	-	22.5
- change in fair value of currency basis	-	-	-	(5.1)	-	-	-	-	(5.1)
- reclassification of foreign exchange loss on borrowings	-	-	(46.8)	-	-	-	-	-	(46.8)
- currency translation differences									
- subsidiaries	-	-	-	-	-	19.4	-	-	19.4
- associate	-	-	-	-	-	0.2	-	-	0.2
Total comprehensive (loss)/income for the financial period	-	(1.6)	(24.3)	(5.1)	-	19.6	983.1	0.7	972.4
Transactions with owners:									
- final interim dividend paid for the financial year ended 31 December 2021 (part A, note 6)	-	-	-	-	-	-	(226.4)	-	(226.4)
- interim dividends payable for the financial year ending 31 December 2022 (part A, note 6)	-	-	-	-	-	-	(340.9)	-	(340.9)
- dividend declared to non-controlling interests	-	-	-	-	-	-	-	(6.3)	(6.3)
- Long Term Incentive Plan (LTIP):									
- ordinary shares granted*	-	-	-	-	26.7	-	-	-	26.7
- transfer from LTIP reserve upon issuance of shares on vesting (part A, note 5(c))^	77.1	-	-	-	(77.1)	-	-	-	-
Total transactions with owners	77.1	-	-	-	(50.4)	-	(567.3)	(6.3)	(546.9)
At 30 September 2022	3,806.1	92.4	(10.8)	17.6	77.5	44.7	3,906.1	(180.2)	7,753.4

* The apportionment over the vesting period of the fair value of the Group's granting of TM shares made to eligible employees of TM and its subsidiaries subject to fulfilment of relevant vesting conditions.

^ Issuance of shares pursuant to the Group's LTIP RS.

(The above unaudited consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021)

**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021**

	Attributable to equity holders of the Company								Total Equity RM Million
	Share Capital RM Million	FVOCI Reserve RM Million	Hedging Reserve RM Million	Cost of Hedging Reserve RM Million	Long Term Incentive Plan Reserve RM Million	Currency Translation Differences RM Million	Retained Profits RM Million	Non- controlling Interests RM Million	
At 1 January 2021	3,728.6	97.7	16.6	31.1	89.1	19.2	3,142.3	(149.3)	6,975.3
Profit/(loss) for the financial period	-	-	-	-	-	-	815.3	(4.5)	810.8
Other comprehensive income									
Items that may be reclassified subsequently to income statement:									
- decrease in fair value of investments at fair value through other comprehensive income (FVOCI)	-	(5.8)	-	-	-	-	-	-	(5.8)
- reclassification adjustments relating to FVOCI investments disposed	-	(0.5)	-	-	-	-	-	-	(0.5)
- decrease in fair value of receivables at FVOCI	-	(2.5)	-	-	-	-	-	-	(2.5)
- cash flow hedge:									
- increase in fair value of cash flow hedge	-	-	18.3	-	-	-	-	-	18.3
- change in fair value of currency basis	-	-	-	(8.6)	-	-	-	-	(8.6)
- reclassification of foreign exchange loss on borrowings	-	-	(13.8)	-	-	-	-	-	(13.8)
- currency translation differences									
- subsidiaries	-	-	-	-	-	3.8	-	-	3.8
- associate	-	-	-	-	-	0.1	-	-	0.1
Total comprehensive (loss)/income for the financial period	-	(8.8)	4.5	(8.6)	-	3.9	815.3	(4.5)	801.8
Transactions with owners:									
- final interim dividend paid for the financial year ended 31 December 2020	-	-	-	-	-	-	(283.0)	-	(283.0)
- interim dividend paid for the financial year ended 31 December 2021	-	-	-	-	-	-	(264.2)	-	(264.2)
- dividends paid to non-controlling interests	-	-	-	-	-	-	-	(8.0)	(8.0)
- Long Term Incentive Plan (LTIP):									
- ordinary shares granted*	-	-	-	-	32.6	-	-	-	32.6
- transfer from LTIP reserve upon issuance of shares on vesting^	0.4	-	-	-	(0.4)	-	-	-	-
Total transactions with owners	0.4	-	-	-	32.2	-	(547.2)	(8.0)	(522.6)
At 30 September 2021	3,729.0	88.9	21.1	22.5	121.3	23.1	3,410.4	(161.8)	7,254.5

* The apportionment over the vesting period of the fair value of the Group's granting of TM shares made to eligible employees of TM and its subsidiaries subject to fulfilment of relevant vesting conditions.

^ Issuance of shares pursuant to the Group's LTIP RS.

(The above unaudited consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021)

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

	FINANCIAL PERIOD ENDED	
	30/09/2022	30/09/2021
	RM Million	RM Million
Receipts from customers	8,142.8	7,476.6
Payments to suppliers and employees	(5,386.2)	(5,314.6)
Payments to suppliers for short term lease and leases of low value assets	(35.4)	(22.9)
Payments of finance cost	(215.8)	(291.2)
Payments of income taxes and zakat (net)	(303.4)	(198.3)
CASH FLOWS FROM OPERATING ACTIVITIES	2,202.0	1,649.6
Contribution for purchase of property, plant and equipment	96.0	125.9
Disposal of property, plant and equipment	7.9	8.6
Purchase of property, plant and equipment and intangible assets	(1,989.0)	(1,330.2)
Disposal/Maturity of current investments at fair value through other comprehensive income	29.2	48.0
Purchase of current investments at fair value through other comprehensive income	(17.0)	(41.4)
Purchase of investments at fair value through profit or loss	(14.6)	(22.6)
Disposal of investments at fair value through profit or loss	161.5	0.8
Long term deposits	(16.6)	(16.6)
Placement of deposits with maturity exceeding 3 months*	(477.6)	-
Maturity of deposit with maturity exceeding 3 months*	513.6	-
Repayments of loans by employees	37.8	33.7
Loans to employees	(23.5)	(24.1)
Interests received	37.8	48.2
Dividends received	-	12.9
CASH FLOWS USED IN INVESTING ACTIVITIES	(1,654.5)	(1,156.8)
Proceeds from borrowings	-	40.0
Repayments of borrowings	(548.1)	(2,022.6)
Repayments of lease liabilities	(387.9)	(348.3)
Dividend paid to shareholders (part A, note 6)	(226.4)	(547.2)
Dividend paid to non-controlling interests	(3.9)	(6.0)
CASH FLOWS USED IN FINANCING ACTIVITIES	(1,166.3)	(2,884.1)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(618.8)	(2,391.3)
EFFECT OF EXCHANGE RATE CHANGES	68.0	24.3
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	1,880.0	4,146.4
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	1,329.2	1,779.4

* During the current financial period ended, the Group had placements of deposits with financial institutions with maturity tenures of between 3 to 6 months

(The above unaudited consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021)

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PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

1. Basis of Preparation

The unaudited interim financial statements for the 3rd quarter and financial period ended 30 September 2022 of the Group have been prepared in accordance with Malaysian Financial Reporting Standards (MFRS) 134 “Interim Financial Reporting” issued by Malaysian Accounting Standards Board (MASB), paragraph 9.22 and Appendix 9B of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, and should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 December 2021. The accounting policies, method of computation and basis of consolidation applied in the unaudited interim financial statements are consistent with those used in the preparation of the 2021 audited financial statements except for the changes arising from the adoption of the amendments to MFRS issued by MASB that are effective for the Group’s financial year beginning on 1 January 2022.

(a) The amendments to published standards that are effective and applicable for the Group’s financial year beginning on 1 January 2022

The amendments to published standards issued by MASB that are effective and applicable for the Group’s financial year beginning on 1 January 2022 are as follows:

Amendments to MFRS 137	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to MFRS 116	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to MFRS 3	Reference to the Conceptual Framework
Amendments to MFRS 9	Annual Improvements to MFRS Standards 2018-2020

The adoption of the above applicable amendments to published standards has not led to any material impact to the Group’s financial result, position or disclosure for the current or previous periods, nor any of the Group’s significant accounting policies.

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PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

1. Basis of Preparation (continued)

(b) The amendments to published standards that have been issued but not yet effective and have not been adopted

The amendments to published standards that have been issued but are not yet effective and have not been adopted by the Group are as follows:

Effective for annual periods beginning on or after 1 January 2023

Amendments to MFRS 101	i) Classification of Liabilities as Current or Non-current ii) Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Effective for annual periods beginning on or after 1 January 2024

Amendments to MFRS 16	Lease Liability in a Sale and Leaseback
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Effective for annual periods to be announced by MASB

Amendments to MFRS 10 and 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
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The adoption of the above annual improvements and amendments to published standards are not expected to have a material impact on the financial statements of the Group.

2. Seasonal or Cyclical Factors

The operations of the Group were not materially affected by any seasonal or cyclical factors.

3. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows due to their nature, size or incidence for the 3rd quarter and financial period ended 30 September 2022.

4. Material Changes in Estimates

There were no material changes in estimates reported in the prior financial year that may have given rise to a material impact on the financials reported by the Group for the 3rd quarter and financial period ended 30 September 2022.

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PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

5. Issuances, Repurchases and Repayments of Debt and Equity Securities

(a) Repayment of Islamic Medium Term Notes (IMTN)

On 10 June 2022, the Group repaid in full, at its nominal value, the RM300.0 million IMTN at 4.23% per annum upon its maturity date. The IMTN was issued as part of the RM3.0 billion IMTN Programme disclosed in note 17(b) of the Group's audited financial statements for the financial year ended 31 December 2021.

(b) Early redemption of Multi-currency Euro Medium Term Notes (EMTN)

On 19 August 2016, Tulip Maple Berhad, a subsidiary of the Group, issued a 7-year USD50.0 million Sukuk due on 21 August 2023. The Sukuk carried a periodic distribution rate of 1 month USD London Interbank Offered Rate (LIBOR) plus 1.35% per annum.

On 19 August 2022, the Sukuk was redeemed ahead of its maturity and was subsequently cancelled accordingly.

(c) Long Term Incentive Plan (LTIP)

During the 3rd quarter and financial period ended, the Company issued 13,967,300 new ordinary shares amounting to RM77.1 million pursuant to the vesting of shares from the Restricted Shares (RS) under the LTIP granted to employees on 17 June 2019. The new ordinary shares were listed and allotted on the Main Market of Bursa Securities on 29 July 2022.

Details of the LTIP which comprises of Restricted Share and Performance Share Grants are disclosed in note 14 of the audited financial statements for the financial year ended 31 December 2021. There has been no further grant of new LTIP tranches during the current financial year.

6. Dividends Paid

(a) The final interim single-tier cash dividend of 6.0 sen per share amounting to RM226.4 million in respect of the financial year ended 31 December 2021 declared on 25 February 2022, was paid on 31 March 2022.

(b) The payment of the interim single-tier cash dividend of 9.0 sen per share in respect of the financial year ending 31 December 2022 declared on 24 August 2022 is as disclosed in part A, note 8(a).

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PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

7. Segmental Information

Segmental information for the Group are as follows:

By Business Segment

All amounts are in RM Million

3rd Quarter Ended

30 September 2022

Operating Revenue

	Unifi>	TM One	TM Wholesale	Shared Services /Others^	Elimination	Total
Total operating revenue	1,405.3	931.0	795.7	141.0		3,273.0
Inter-segment @	(4.6)	(39.1)	(25.8)	(45.4)		(114.9)
External operating revenue	1,400.7	891.9	769.9	95.6		3,158.1

Results

Earnings before interest and taxation (EBIT)	391.7	133.5	133.7	(120.7)	66.6	604.8
Other gains (net)						2.3
Finance income						19.3
Finance cost						(89.0)
Foreign exchange loss on borrowings						(79.2)
Associate - share of results (net of tax)						2.1
Profit before tax and zakat						460.3
Tax and zakat						(195.5)
Profit for the financial period						264.8

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PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

7. Segmental Information (continued)

Segmental information for the Group are as follows:

By Business Segment

All amounts are in RM Million

3rd Quarter Ended 30 September 2021	Unifi ^{>}	TM One	TM Wholesale	Shared Services /Others [^]	Elimination	Total
Operating Revenue						
Total operating revenue	1,312.1	853.2	632.9	119.6		2,917.8
Inter-segment @	(2.6)	(56.3)	(22.0)	(33.6)		(114.5)
External operating revenue	1,309.5	796.9	610.9	86.0		2,803.3
Results						
EBIT	301.2	208.7	99.5	(181.7)	9.8	437.5
Other losses (net)						(3.2)
Finance income						15.5
Finance cost						(87.7)
Foreign exchange loss on borrowings						(12.5)
Associate - share of results (net of tax)						3.1
Profit before tax and zakat						352.7
Tax and zakat						(81.9)
Profit for the financial period						270.8

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PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

7. Segmental Information (continued)

Segmental information for the Group are as follows:

By Business Segment

All amounts are in RM Million

Financial Period Ended	Unifi>	TM One	TM Wholesale	Shared Services /Others^	Elimination	Total
30 September 2022						
Operating Revenue						
Total operating revenue	4,197.9	2,717.5	2,196.4	400.6		9,512.4
Inter-segment @	(17.3)	(177.3)	(61.5)	(116.5)		(372.6)
External operating revenue	4,180.6	2,540.2	2,134.9	284.1		9,139.8
Results						
EBIT	1,246.2	510.6	384.2	(362.8)	89.7	1,867.9
Other losses (net)						(9.5)
Finance income						53.0
Finance cost						(287.8)
Foreign exchange loss on borrowings						(160.6)
Associate - share of results (net of tax)						9.5
Profit before tax and zakat						1,472.5
Tax and zakat						(488.7)
Profit for the financial period						983.8

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PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

7. Segmental Information (continued)

Segmental information for the Group are as follows:

By Business Segment

All amounts are in RM Million

Financial Period Ended	Unifi ^{>}	TM One	TM Wholesale	Shared Services /Others [^]	Elimination	Total
30 September 2021						
Operating Revenue						
Total operating revenue	3,857.0	2,679.2	1,867.0	375.6		8,778.8
Inter-segment @	(31.8)	(203.7)	(58.4)	(109.0)		(402.9)
External operating revenue	3,825.2	2,475.5	1,808.6	266.6		8,375.9
Results						
EBIT	874.2	680.4	313.5	(468.9)	15.6	1,414.8
Other losses (net)						(15.2)
Finance income						55.5
Finance cost						(362.3)
Foreign exchange loss on borrowings						(49.5)
Associate - share of results (net of tax)						9.5
Profit before tax and zakat						1,052.8
Tax and zakat						(242.0)
Profit for the financial period						810.8

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7. Segmental Information (continued)

- @ Inter-segment operating revenue relates to inter-company revenue and has been eliminated at the respective segment operating revenue. These inter-segment trading arrangements are subject to periodic review. The inter-company revenue was entered into in the normal course of business.
- ^ Expenses incurred by corporate divisions such as Human Capital Management, Finance, Strategy and Regulatory, Company Secretary, Procurement and special purpose entities and foreign exchange differences arising from the translation of foreign currency placements which were not allocated to a particular business segment are disclosed as part of shared services/others. These are considered non-operating segments.
- > Unifi segment for the current quarter, period and comparatives include financial information of Webe Digital Sdn Bhd (webe) and its subsidiaries, reflective of webe's current customer profile in aligning to the Group's overall operational segmentation.

Information on segmental assets and liabilities has not been included in the disclosure in alignment with the information used internally to discuss segment performance and allocate resources. Significant portions of the Group's assets and liabilities are maintained and monitored at each entity level. Consistently across the Group, network assets are maintained and economically utilised and monitored as a single network at each entity level respectively, in generating the portfolio of products offered by each entity. The corresponding liabilities, including financing, are also similarly monitored.

The prior year comparatives have been restated for better comparability with alignment to current business structure. This includes the movement of TM Info-Media Sdn Bhd previously under Others to Unifi, Medium Enterprise Business (MEB) customers from TM One to Unifi and Global Service Providers (GSP) division from TM One to TM Wholesale.

8. Material Events Subsequent to the End of the Quarter

There are no material events subsequent to the reporting date that require disclosure or adjustment to the unaudited interim financial statements save as disclosed below:

(a) Dividend Reinvestment Scheme (DRS) on the interim single-tier dividend for the financial year ending 31 December 2022

As disclosed in part B, note 13(a), an interim single-tier dividend of 9.0 sen per share for the financial year ending 31 December 2022 was declared on 24 August 2022. Pursuant to Bursa Malaysia Securities Berhad's approval, the Company had issued and allotted 33.3 million new shares (New TM Shares) on 21 October 2022 at an issue price of RM5.41 per New TM Share. The payment of dividend to shareholders that did not elect for DRS was also made on 21 October 2022 amounting to RM160.5 million. The New TM Shares were listed and allotted on the main market of Bursa Securities on 25 October 2022. This translates to 52.93% rate of acceptance of shareholders to reinvest their cash dividend into New TM Shares.

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8. Material Events Subsequent to the End of the Quarter (continued)

There are no material events subsequent to the reporting date that require disclosure or adjustment to the unaudited interim financial statements save as disclosed below: (continued)

(a) Dividend Reinvestment Scheme (DRS) on interim single-tier dividend for the financial year ending 31 December 2022 (continued)

Upon completion of the DRS on listing and quotation of the 33.3 million New TM Shares on Main Market Bursa Malaysia Securities Berhad, the total issued and paid up share capital of TM is RM3,986.5 million comprising 3,821.0 million ordinary shares and 1 Special Rights Redeemable Preference Share.

(b) Subsequent changes to shareholding in Menara Kuala Lumpur Sdn Bhd (MKLSB)

Following the Group's plan to exit from the concession agreement awarded to MKLSB for the rights to the operation, management and maintenance of Menara Kuala Lumpur (the Tower) and Tower land (the Concession) as disclosed in note 23(b)(iii) to the Group's audited financial statements for financial year ended 31 December 2021, the Group has subsequently secured the relevant approvals accordingly. The Group has on 31 October 2022 completed a share purchase agreement to dispose its 100% interest in MKLSB for a consideration of RM3.8 million comprising of cash and the acquirer's commitment to make good obligations associated to the Concession.

9. Effects of Changes in the Composition of the Group

There are no changes in the composition of the Group for the 3rd quarter and financial period ended 30 September 2022 save as disclosed below:

(a) TM Digital Innovation Sdn Bhd (TMDI)

On 14 February 2022, TM Digital Innovation Sdn Bhd (TMDI) was incorporated as a wholly-owned subsidiary of Telekom Malaysia Berhad (TM) with its initial two (2) ordinary shares currently held by TM. TMDI was established as the operating company for TM's digital services business.

(b) P1.Com Sdn Bhd (P1SB) and RuumzNation Sdn Bhd (RSB)

Following the applications to strike off P1SB and RSB pursuant to Section 551(1) of Companies Act 2016 (CA2016), P1SB and RSB were officially struck-off from the Register of Companies effective 13 April 2022, based on the final notification from Companies Commission of Malaysia (CCM) via Gazette Number 9242 issued on the same date.

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9. Effects of Changes in the Composition of the Group (continued)

(c) VADS Digital Sdn Bhd (VDSB)

Following the application to strike off VDSB pursuant to Section 551(1) of CA2016, VDSB was officially struck-off from the Register of Companies effective 9 June 2022, based on the final notification from CCM via Gazette Number 13882 issued on the same date.

10. Changes in Contingent Liabilities Since the Last Annual Balance Sheet Date

Other than the material litigation disclosed in part B, note 10 of this announcement, there were no other material changes in contingent liabilities since the audited financial statements of the Group for the financial year ended 31 December 2021.

11. Capital Commitments

(a)

	Group	
	As at 30/09/2022	As at 31/12/2021
	RM Million	RM Million
Property, plant and equipment:		
Commitments in respect of expenditures approved and contracted for	824.1	2,273.6

(b)

	Group	
	As at 30/09/2022	As at 31/12/2021
	RM Million	RM Million
The Group's remaining capital commitment in a Technology Investment Fund (disclosed as part of the Group's Non-Current Investments at FVTPL)	21.3	33.1

Refer to note 30(c) of the audited financial statements of the Group for the financial year ended 31 December 2021.

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PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134**12. Related Party Transactions**

Khazanah Nasional Berhad (Khazanah) is a major shareholder with a 20.03% equity interest as at 30 September 2022 and is a related party of the Group. Khazanah is a wholly-owned entity of MOF Inc, which is in turn owned by the Ministry of Finance, a ministry of the Federal Government of Malaysia. Therefore, the Government of Malaysia and bodies controlled or jointly controlled by the Government of Malaysia are also related parties to the Group.

The individually significant transactions that the Group entered into with identified related parties and their corresponding balances for the provision of telecommunications related services as at the respective reporting dates are as follows:

	Total amount of individually significant transactions for the financial period ended		Corresponding outstanding balances as at	
	30/09/2022 RM Million	30/09/2021 RM Million	30/09/2022 RM Million	31/12/2021 RM Million
Sales and Receivables	669.8	580.9	74.2	104.3

The Group also has individually significant contracts with other Government-related entities where the Group was provided funding for projects of which the amortisation of grants to the income statement in the current financial period was RM239.8 million (YTD September 2021: RM229.6 million) with corresponding receivables of RM200.0 million (31 December 2021: RM200.0 million).

In addition to the above, the Group has transactions in the normal course of business, that are collectively, but not individually significant with other Government-related entities in respect of the provision of telecommunications related services as well as procurement of telecommunications and related equipment and services.

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13. Fair Value

The following should be read in conjunction with note 48 of the Group's audited financial statements for the financial year ended 31 December 2021.

(a) Financial Instruments Carried at Fair Value

The following table presents the Group's financial assets and liabilities that are measured at fair value as at the respective reporting date.

	As at 30/09/2022				As at 31/12/2021			
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Assets								
Financial assets at fair value through profit or loss								
-quoted securities	2.0	-	-	2.0	2.2	-	-	2.2
Derivatives accounted for under hedge accounting	-	158.2	-	158.2	-	145.4	-	145.4
Investments at fair value through OCI	-	65.7	-	65.7	-	82.3	-	82.3
Investments at fair value through profit or loss	-	89.1	80.0	169.1	-	243.2	75.3	318.5
Equity investments at fair value through OCI	-	-	141.6	141.6	-	-	141.6	141.6
Receivables at fair value through OCI	-	-	297.9	297.9	-	-	297.9	297.9
Total	2.0	313.0	519.5	834.5	2.2	470.9	514.8	987.9
Liabilities								
Derivatives accounted for under hedge accounting	-	-	-	-	-	4.6	-	4.6
Total	-	-	-	-	-	4.6	-	4.6

There have not been any changes to the valuation techniques applied for the different financial instruments since 31 December 2021 and there were no transfers of any instruments between level 1, 2 and 3 of the fair valuation hierarchy during the financial period.

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13. Fair Value (continued)

(b) Financial Instruments Other Than Those Carried at Fair Value

There have not been any significant changes in the differences between the carrying amount and fair value of financial instruments carried at other than fair value from the disclosures in note 48(b) of the Group's audited financial statements for the financial year ended 31 December 2021, other than below:

	As at 30/09/2022		As at 31/12/2021	
	Carrying amount RM Million	Net fair value RM Million	Carrying amount RM Million	Net fair value RM Million
Liabilities				
Borrowings	5,379.5	5,639.9	5,720.0	6,215.6

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1. Review of Performance

(a) 3rd Quarter 2022 vs 3rd Quarter 2021

(i) Group Performance

The Group's operating revenue increased by 12.7% (RM354.8 million) to RM3,158.1 million compared to RM2,803.3 million in the same quarter last year with strong increase in revenue from data, other telecommunication related services, Internet and non-telecommunication related services.

The strong performance in revenue was seen from the Carrier-to-Carrier wholesale segment, the broadband subscriber base at Unifi that continues to grow as well as improved solution based revenue at TM One. Against continued control on direct cost and operational spending, this led to the Group recording a 39.8% (RM172.8 million) increase in operating profits before finance cost which was RM607.1 million for the 3rd quarter of 2022 compared to RM434.3 million in the same quarter last year. The operational costs for the quarter included of a RM59.2 million foreign exchange translation gain on trade balances and settlements (3rd quarter 2021: RM3.8 million loss).

Correspondingly, the Group reported profit after tax and non-controlling interests (PATAMI) of RM265.2 million for the quarter ended, a 2.2% (RM6.1 million) decrease from the RM271.3 million recorded in the 3rd quarter of 2021 on the back of RM66.7 million higher foreign exchange loss on borrowings as well as higher effective tax rate as the Group applies the 33% Cukai Makmur statutory tax rate accordingly for the current quarter.

(ii) Segment Performance

Unifi

Revenue increased by 7.1% (RM93.2 million) from RM1,312.1 million to RM1,405.3 million in the current quarter ended, driven by the increase in internet and voice services arising from the 10.9% (0.3 million) increase in broadband subscriber base between the quarters.

The higher revenue against the stable operating costs contributed to a 30.0% (RM90.5 million) improvement in earnings before interest and taxation (EBIT) which was recorded at RM391.7 million for the current quarter ended, compared to RM301.2 million in the corresponding quarter last year.

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1. Review of Performance (continued)

(a) 3rd Quarter 2022 vs 3rd Quarter 2021 (continued)

(ii) Segment Performance (continued)

TM One

TM ONE recorded a 9.1% (RM77.8 million) revenue growth in the current quarter ended with RM931.0 million, compared to RM853.2 million in the same quarter last year. The encouraging performance was driven across both recurring business and one-off customer projects from the integrated communication services provided for the enterprise and government segment.

Amidst increasing supply cost, reported EBIT reduced 36.0% (RM75.2 million) at RM133.5 million in the current year quarter from RM208.7 million in the same quarter last year.

TM Wholesale

At RM795.7 million, TM Wholesale's revenue for the current quarter increased by 25.7% (RM162.8 million) from the RM632.9 million recorded in 3rd quarter last year, anchored mainly by consistent growth from its data services.

Lower increase in direct and other operational costs under tight expense monitoring against the aforementioned revenue growth has led to EBIT for TM Wholesale increasing at 34.4% (RM34.2 million) to RM133.7 million this quarter from the RM99.5 million in the corresponding quarter last year.

(b) Year-on-Year

(i) Group Performance

For the financial period under review, the Group's operating revenue increased 9.1% (RM763.9 million) to RM9,139.8 million from RM8,375.9 million recorded during the financial period. The sound increase was from all lines of products especially so from broadband and data.

The strong year-on-year revenue growth cushioned increase in operating costs which included RM117.3 million foreign exchange translation gain on trade balances and settlements. This resulted in a 32.8% (RM458.8 million) increase in the Group's operating profits before finance cost for the current period, reported at RM1,858.4 million compared to RM1,399.6 million in the first 9 months of 2021.

Although dampened by the higher effective tax rate from Cukai Makmur in the current year and the higher foreign exchange loss on borrowings, the Group's PATAMI for the period was at RM983.1 million a 20.6% (RM167.8 million) increase from RM815.3 million in the corresponding period last year.

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1. Review of Performance (continued)

(b) Year-on-Year (continued)

(ii) Segment Performance

Unifi

Unifi recorded a strong 8.8% (RM340.9 million) increase in revenue which was RM4,197.9 million during the current period ended compared to RM3,857.0 million in the corresponding period in 2021. The increase from internet and voice services is reflective of a continuing and stable growth trajectory for Unifi with fixed broadband subscriber base continuing to increase quarter on quarter throughout the 9 months ended, landing close to 3.0 million at the close of the current quarter, a 10.9% (0.3 million) increase from 30 September last year.

Lower increase in operating cost against the higher revenue led to a 42.6% (RM372.0 million) increase in EBIT to RM1,246.2 million compared to RM874.2 million during the same period last year.

TM One

TM One recorded a 1.4% (RM38.3 million) revenue growth year-on-year of RM2,717.5 million in the 9 months ended 30 September 2022 against RM2,679.2 million for the same period last year. This was contributed by growth of revenues from information and communications technology (ICT) and bespoke integrated telecommunication solutions.

Reported EBIT declined by 25.0% (RM169.8 million) to RM510.6 million in the current year from RM680.4 million in the corresponding period last year, from investment in future focus areas of digital services and increasing direct costs and materials sourced for the solution based services for customers in the current year.

TM Wholesale

TM Wholesale registered consolidated revenue of RM2,196.4 million for the current period ended 30 September, a 17.6% growth from RM1,867.0 million total revenue reported for the same period last year, led mainly by higher data services revenue.

Whilst direct and other operating costs increased with revenue, TM Wholesale's EBIT increased RM70.7 million from RM313.5 million in the same period last year to RM384.2 million in the current year with the more efficient and effective utilisation and monetisation of the Group's network assets.

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2. Comparison with Preceding Quarter's Results

The Group recorded a 2.2% (RM68.8 million) increase in revenue from RM3,089.3 million in the preceding quarter to RM3,158.1 million in the current quarter ended, with increase in revenue seen from all lines of products apart from voice services. Strong revenue growth was particularly recorded from the solution based ICT revenue from the business-to-business (B2B) segment.

Increase in operating costs particularly direct costs, were higher when compared to the increase in revenue quarter on quarter. This led to a 13.0% (RM90.7 million) decrease in operating profit before finance costs from the RM697.8 million recorded in the preceding quarter to RM607.1 million in the current quarter ended.

The lower operating profit, higher foreign exchange losses on borrowings as well as higher tax charges in the current quarter resulted in a 29.8% (RM112.8 million) decrease in Group PATAMI, from RM378.0 million in the preceding quarter to RM265.2 million in the current quarter.

3. Prospects for the Current Financial Year

Economic Outlook

The economic outlook for Malaysia continues to be positive, with the Government revising its 2022 GDP forecast from 5.3%-6.3% to 6.5%-7.0%¹. The World Bank has also raised its 2022 GDP forecast for Malaysia, from 5.5% in previous quarter to 6.4%². The upward revision is largely driven by strong domestic demand, tourism-related activities, and vibrant services sector which the Group expects to have positive impact to the telecommunication service sector. The same is also expected from the Government's continuing effort to minimise the development gap between urban and rural areas by addressing digital connectivity.

Despite the projected improved GDP for 2022, slower growth is anticipated for 2023 due to increased challenges in the global economic environment. This will affect Malaysia's GDP growth for 2023, which is projected to be moderate between 4%-5%¹.

Business Outlook

TM Group expects the growth momentum from its first 9 months to continue towards the close of 2022, driven by all three lines of businesses; Unifi, TM One, and TM Wholesale. The Group has in October 2022 signed a Share Subscription Agreement (SSA) and an Access Agreement (AA) with DNB, for the single wholesale 5G network in Malaysia. TM's commitment for long-term value creation and 5G will accelerate the Group's Fixed-Mobile Convergence (FMC) offerings and enable more digital solutions to serve the growing needs of consumers, businesses and public sector.

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3. Prospects for the Current Financial Year (continued)

Business Outlook (continued)

Unifi continues its thrust into converged solutions for fixed broadband, mobile and entertainment in the Business-to-Consumer (B2C) segment. With a strong subscriber base of close to 3.0 million fixed broadband subscribers, the provisioning of 5G services will further enhance TM's position as a preferred provider for FMC. Unifi has also expanded its content offerings with more on-demand streaming apps.

As TM's Business-to-Business (B2B) arm, TM One enables Enterprise and Government sector transformation with the latest technology, robust digital connectivity and secured fit for purpose solutions.

TM One 5G solution for Enterprise and Government is available with focus on Smart Healthcare, Smart Industry and Smart Cities. TM One 5G Sphere comprising industry ecosystem partners will accelerate smart solution innovation and adoption for Digital Malaysia.

Under the Carrier-to-Carrier (C2C) segment, TM Wholesale has consistently lived up to its aspiration to position Malaysia as a digital hub for ASEAN via submarine cables and data centre offerings, catering the needs for both domestic and global telcos, as well as hyperscalers. TM Wholesale will continue its commitment with DNB to provide fibre connectivity in enabling 5G services for the country. The fibre leasing services as part of the roll out of 5G network towers, is expected to accelerate towards the end of 2022.

Aligned with the Group's ESG commitment, TM continues to collaborate with key suppliers in promoting compliance to the global and local sustainability standards throughout its supply chain ecosystem. TM is on track to ensure suppliers' compliance to ESG practices, targeting for 100% compliance rate amongst the Group's Mega Suppliers by 2024 and 50% compliance rate amongst the Group's Mid-Tier Suppliers by 2030.

On Course for the End of the Year

Progressing towards the end of 2022, TM remains on track with its transformation drive and will continue to power-up Digital Malaysia, by delivering Customer Experience, Connectivity and Solutions Excellence.

Earlier in the financial year, the Group guided a low to mid-single-digit growth in terms of revenue with EBIT of more than RM1.8 billion for 2022. Given its 3rd quarter results, the Group is on track to surpass the earlier guidance and is revising its 2022 guidance to a mid to high single-digit revenue growth and EBIT of more than RM2.3 billion.

¹Sourced from Ministry of Finance, Malaysia - Economic Outlook 2023

²Sourced from The Edge Markets' *World Bank ups 2022 GDP growth forecast for Malaysia*, 27 September 2022

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The Group has not provided any profit forecast or profit guarantee in any public document in respect of the 3rd quarter and financial period ended 30 September 2022.

5. Tax

The tax charge for the Group comprises:

	3rd Quarter Ended		Financial Period Ended	
	30/09/2022	30/09/2021	30/09/2022	30/09/2021
	RM Million	RM Million	RM Million	RM Million
<u>Malaysia</u>				
Income Tax:				
Current year	230.9	76.2	454.1	221.7
Prior year	21.8	#	19.4	1.5
Deferred tax (net)	(59.7)	1.3	1.7	(1.4)
	193.0	77.5	475.2	221.8
<u>Overseas</u>				
Income Tax:				
Current year	1.2	1.0	7.9	8.2
Prior year	#	2.0	0.3	7.6
Deferred tax (net)	#	(0.1)	#	0.1
	1.2	2.9	8.2	15.9
Taxation	194.2	80.4	483.4	237.7
Zakat	1.3	1.5	5.3	4.3
Taxation and Zakat	195.5	81.9	488.7	242.0

Amount less than RM0.1 million

6. Status of Corporate Proposals

There are no corporate proposals announced and not completed as at the date of this announcement.

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(a) Analysis of the Group's borrowings and debt securities is as follows:

	As at 30/09/2022		As at 31/12/2021	
	Short Term Borrowings RM Million	Long Term Borrowings RM Million	Short Term Borrowings RM Million	Long Term Borrowings RM Million
Total Secured	2.9	8.0	2.9	10.2
Total Unsecured	326.9	5,041.7	378.7	5,328.2
Total Borrowings	329.8	5,049.7	381.6	5,338.4

(b) Foreign currency borrowings and debt securities are as follows:

Foreign Currency	As at 30/09/2022 RM Million	As at 31/12/2021 RM Million
US Dollar	1,969.3	1,985.2
Canadian Dollars	2.2	2.2
Total	1,971.5	1,987.4

(c) There have not been any significant changes in the Group's borrowings since the end of the previous financial year (as disclosed in note 17 of the Group's audited financial statements for financial year ended 31 December 2021) except for the impact of foreign exchange translation for the financial period ended as well as repayment and redemption as disclosed in part A, note 5(a) and 5(b).

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(a) Analysis of the Group's Derivative Financial Instruments is as follows:

Derivatives (by maturity)	Contract or notional amount RM Million	Fair value as at 30/09/2022		Fair value as at 31/12/2021	
		Assets RM Million	Liabilities RM Million	Assets RM Million	Liabilities RM Million
<u>Interest Rate Swap (IRS)</u> - 1 year to 3 years	-	-	-	-	4.6
	-	-	-	-	4.6
<u>Cross Currency Interest Rate Swaps (CCIRS)</u> - more than 3 years	310.5	158.2	-	145.4	-
	310.5	158.2	-	145.4	-
Total	310.5	158.2	-	145.4	4.6

(b) Financial Risk Management Objectives and Policies

There have been no changes since the end of the previous financial year in respect of the following:

- (i) The types of derivative financial contracts entered into and the rationale for entering into such contracts, as well as the expected benefits accruing from these contracts; and
- (ii) The risk management policies in place for mitigating and controlling the risks associated with these derivative financial instrument contracts.

The details on the above, the valuation and the financial effects of derivative financial instruments that the Group has entered into are discussed in notes 4, 20 and 47 to 50 to the Group's audited financial statements for the financial year ended 31 December 2021.

(c) Related Accounting Policies

The related accounting policies of the Group in respect of derivative financial instruments and hedge accounting are disclosed in note 2 to the Group's audited financial statements for the financial year ended 31 December 2021.

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The amount of gains/(losses) arising from fair value changes of derivative financial instruments for the current and cumulative quarters ended 30 September 2022 are as follows:

Derivatives (by maturity)	Contract or notional value RM Million	Fair value RM Million	Gains/(Losses) arising from fair value changes for the quarter RM Million	Gains/(Losses) arising from fair value changes for the period RM Million
Financial Assets				
<u>Interest Rate Swap (IRS)*</u>				
- 1 year to 3 years	-	-	(2.4)	4.6
<u>Cross Currency Interest Rate Swaps (CCIRS)*</u>				
- more than 3 years	310.5	158.2	8.9	12.8
Total	310.5	158.2	6.5	17.4

* Cash flow hedges accounted for under hedge accounting.

The fair values of existing interest rate swaps arise from the changes in present value of their respective future cash flows against the prevailing market interest rates. The fair values of existing forward foreign exchange components of the contracts are determined by comparing forward exchange market rates at the balance sheet date against prevailing foreign exchange rates.

The Mark to Market (MTM) on the IRS is positive when the expectation of relevant future interest rates increases and vice versa. The MTM on a forward contract is positive when the expectation of USD against RM currency is strengthened and vice versa.

The MTM on the CCIRS is positive when the expectation of the relevant foreign currency against RM strengthens or the expectation of future RM interest rate increases and vice versa.

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9. Additional Disclosures

Additional disclosures of items not disclosed elsewhere in this announcement, which have been included in the Consolidated Income Statement for the 3rd quarter and financial period ended 30 September 2022:

	3rd Quarter Ended		Financial Period Ended	
	30/09/2022	30/09/2021	30/09/2022	30/09/2021
	RM Million	RM Million	RM Million	RM Million
Inventory (charges)/reversal for write off and obsolescence	(0.6)	2.6	(2.2)	3.5
(Loss)/Gain on disposal of fixed income securities	(0.1)	0.9	(0.2)	0.5
Gain/(Loss) on foreign exchange on settlements and placements	59.2	(3.8)	117.3	(7.2)

10. Material Litigation

The following is the update on the Group's existing material litigation as disclosed in note 51 to the Group's audited financial statements for the year ended 31 December 2021, subsequent to the financial year end:

(a) In the Matter of Arbitration between Vodoke Pte Ltd (VPL) and Telekom Malaysia Berhad (TM)

The Award on liability had been approved by SIAC on 6 July 2022 (the Award), and was released to the parties on 7 July 2022 as follows:

- (i) VPL's Claims are dismissed;
- (ii) TM's counterclaims that VPL was liable for inducing or procuring a breach of the agreement between Vodoke Nusantara Pte Ltd and TM and/or VPL was liable to TM for the debts owed by Vodoke Nusantara Pte Ltd to TM, are dismissed; and
- (iii) TM's counterclaim that VPL was liable for actionable misrepresentation is allowed. It is ordered that there be an assessment of TM's loss and damage so suffered.

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PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

10. Material Litigation (continued)

(a) In the Matter of Arbitration between Vodoke Pte Ltd (VPL) and Telekom Malaysia Berhad (TM) (continued)

On 1 November 2022, TM received an Originating Application dated 6 October 2022 from VPL, seeking a declaration in relation to the Partial Award dated 6 July 2022 that VPL was deprived of the opportunity to present its case in accordance with the Model Law read together with the International Arbitration Act 1994 (“IAA”) and/or there was a breach of the rules of natural justice in the making of the Award by which VPL’s rights have been prejudiced, the Award be set aside and a fresh tribunal is appointed to hear the parties’ disputes.

TM will take the necessary steps to dismiss the said Originating Application.

(b) In the Matter of Arbitration between MYTV Broadcasting Sdn Bhd (MYTV) and Telekom Malaysia Berhad (TM)

The Asian International Arbitration Centre has completed the process of the appointment of all arbitrators.

On 10 November 2022, a Preliminary Meeting was held and the Arbitral Tribunal directed MYTV and TM to discuss and agree on the draft Procedural Order No. 1 and Timetable before reverting to the Tribunal by 17 November 2022.

The Directors, based on legal advice, are of the view that TM has a good chance of success in dismissing the claim.

Save as disclosed above, neither TM nor its subsidiaries are engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, which has a material effect on TM’s and/or its subsidiaries’ financial position or business of TM Group and TM Board is not aware of any proceedings, pending or threatened against TM and/or its subsidiaries, or of any facts likely to give rise to any proceedings which may materially affect TM’s and/or its subsidiaries’ financial position or business of TM Group.

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PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

11. Earnings per Share (EPS)

	3rd Quarter Ended		Financial Period Ended	
	30/09/2022	30/09/2021	30/09/2022	30/09/2021
(a) Basic earnings per share				
Profit attributable to equity holders of the Company (RM million)	265.2	271.3	983.1	815.3
Weighted average number of ordinary shares (million)	3,783.4	3,773.7	3,777.0	3,773.7
Basic earnings per share (sen) attributable to equity holders of the Company	7.0	7.2	26.0	21.6

Basic earnings per share was calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of issued and paid-up ordinary shares during the financial period.

	3rd Quarter Ended		Financial Period Ended	
	30/09/2022	30/09/2021	30/09/2022	30/09/2021
(b) Diluted earnings per share				
Profit attributable to equity holders of the Company (RM million)	265.2	271.3	983.1	815.3
Weighted average number of ordinary shares (million)	3,783.4	3,773.7	3,777.0	3,773.7
Adjustment for dilutive effect of Long Term Incentive Plan (million)	21.7	34.1	28.2	34.8
Weighted average number of ordinary shares (million)	3,805.1	3,807.8	3,805.2	3,808.5
Diluted earnings per share (sen) attributable to equity holders of the Company	7.0	7.1	25.8	21.4

Diluted earnings per share for the current quarter and financial period ended were calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of issued and paid-up ordinary shares adjusted for potential conversion of all dilutive ordinary shares from shares granted to employees under the Group's Long Term Incentive Plan (LTIP), as disclosed in note 14 to the Group's audited financial statements for financial year ended 31 December 2021.

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12. Qualification of Preceding Audited Financial Statements

The audited financial statements for the financial year ended 31 December 2021 were not subject to any qualification.

13. Dividends

- (a) On 24 August 2022, the Board of Directors declared an interim single-tier dividend of 9.0 sen per share for the financial year ending 31 December 2022 (2021: an interim single-tier cash dividend of 7.0 sen per share). The Board of Directors had also determined that the Dividend Reinvestment Scheme (DRS) would be made applicable to the interim dividend.

Subsequently on 5 September 2022, Bursa Malaysia Securities Berhad's approval was received for the listing and quotation of the new ordinary shares in Telekom Malaysia Berhad that would be issued pursuant to the DRS in respect of the interim dividend, on the Main Market of Bursa Securities. The issue price of the new TM shares to be issued pursuant to the DRS was fixed on 9 September 2022 at RM5.41 per share.

The payment of dividend and crediting of the shares under the DRS is as disclosed in part A, note 8(a) of this announcement.

- (b) No dividend is declared for the current quarter ended 30 September 2022.

By Order of the Board

Hamizah Abidin (LS0007096) (Practising Certificate No. 201908001071)

Company Secretary

Kuala Lumpur

22 November 2022